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**FORMER NYC HOUSING AUTHORITY EMPLOYEE
AND REAL ESTATE OFFICE EMPLOYEE PLEAD GUILTY TO THEFT
CONCERNING A FEDERALLY-FUNDED PROGRAM**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, and ROSE GILL HEARN, Commissioner of the New York City Department of Investigation, announced today that CHARLES W. BROWN, a former Property Manager with the New York City Housing Authority's ("NYCHA") Department of Facility Planning, pled guilty yesterday to a two-count Indictment charging him with conspiracy and with theft concerning a federally funded program. Co-defendant ROBERT R. WILLIAMS, a former employee of a Harlem real estate firm, pled guilty to the same charges, contained in a Superseding Information (the "Information"), on April 20, 2004. According to the Indictment and the Information, from in or about March 2000 through in or about June 2002, BROWN, with the assistance of WILLIAMS, leased city-owned property managed by NYCHA to five Harlem shopkeepers

(the "Shopkeepers") and kept the Shopkeepers' monthly rental payments for themselves. According to the Indictment and Information, beginning in late 1999 or early 2000, a shopkeeper who was interested in obtaining a lease to open a variety store was introduced to WILLIAMS. WILLIAMS eventually offered to lease the shopkeeper space in a building managed by NYCHA, located at 645 Lenox Avenue, New York, N.Y. ("the Shop"), the Indictment and Information charge. WILLIAMS thereafter provided the shopkeeper with a purportedly legitimate five-year lease for the property from NYCHA, the Indictment and Information charge. The lease, however, unlike legitimately-issued NYCHA leases, was signed only by the Shopkeeper, the Indictment and Information charge, not by any official from NYCHA, as required by NYCHA. BROWN and WILLIAMS together thereafter leased four additional city-owned spaces to four more Shopkeepers and began receiving the monthly rents that should have been paid to NYCHA.

According to the Indictment and Information, the property containing the five Shops remained on NYCHA's inventory of property list, which lists all vacant, city-owned property in public housing developments, after the start dates of the respective leases and remain on the property list at present, although the Shopkeepers have occupied their respective properties continuously beginning in either 2000 or 2001.

Although the Shopkeepers initially made their rent payments to WILLIAMS, in or about June 2002, BROWN directed the

Shopkeepers to stop paying WILLIAMS, and instead to pay their rent directly to BROWN, the Indictment charges. Thereafter, until in or about September 2002, BROWN alone continued the improper scheme. As a result, between in or about March 2000 and in or about September 2002, the scheme netted in excess of \$90,000, funds that rightfully should have been paid to NYCHA.

BROWN and WILLIAMS are scheduled to be sentenced by the Honorable George B. Daniels on July 28, 2004, and July 22, 2004, respectively.

BROWN, 37, lives in Montclair, New Jersey. WILLIAMS, 67, lives in Palisades Park, New Jersey. The defendants face a maximum sentence if convicted of five years' incarceration for the conspiracy charge and ten years' incarceration for the theft charge, and a fine of \$250,000 or not more than the greater of twice the gross gain or twice the gross loss for each charge.

Mr. KELLEY praised the investigative efforts of the New York City Department of Investigation, and thanked the United States Postal Inspection Service and the United States Department of Housing and Urban Development's Office of Inspector General for their assistance with this case.

Assistant United States Attorney MARGARET A. CIEPRISZ is in charge of the prosecution.